

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6082

BILL NUMBER: SB 11

NOTE PREPARED: Jan 31, 2006

BILL AMENDED: Jan 24, 2006

SUBJECT: Various Securities Matters.

FIRST AUTHOR: Sen. Drozda

FIRST SPONSOR: Rep. Burton

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X **GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill makes various amendments to the law concerning securities regulation. The bill provides that transactions exempt from certain security registration requirements include the offer or sale of securities involving certain mergers or share exchanges that occur within or outside the United States. (Current law exempts the offer or sale of securities involving certain mergers or share exchanges that occur within the United States.)

This bill also changes the method of selection of home and branch offices of registered broker-dealers for completion of compliance reports.

It provides that (1) the Chief Deputy Commissioner and each designated attorney or investigator are police officers of the state and members of the Enforcement Department of the Securities Division; and (2) certain violations may be brought in the county where the violation allegedly occurred or Marion County.

It requires the Securities Commissioner to send a certified copy of a final order suspending or revoking a person's license or an order to cease and desist to the Insurance Commissioner who may institute proceedings to revoke or suspend the person's insurance producer license.

The bill changes the (1) time a franchisor must renew a registration from 30 days before expiration of the registration to not later than the date the registration expires; and (2) time an employer who has an employee conducting origination activities must register from 15 days to 5 days after the employee first conducts origination activities.

The bill provides that (1) the Securities Commissioner may provide certain interpretive opinions or issue determinations under the law concerning loan brokers; and (2) certain individuals under the law concerning loan brokers may request an appeal from a denial of an application or a final order by the securities commissioner.

This bill requires that a person who does not comply with an order of the court or judge under the law concerning loan brokers be punished for contempt of court.

Effective Date: July 1, 2006.

Explanation of State Expenditures: (Revised) *Securities Commissioner:* This bill could decrease the administrative costs of the Securities Commissioner in the Secretary of State's Office. The overall decrease will ultimately depend upon the administrative actions taken by the Commissioner.

The bill allows the Commissioner to bring an action for a violations under IC 23-2-1-3 or 8(a) in either the county where the violation allegedly occurred or Marion County. Under current law the action could only be brought in the county where the violation allegedly occurred.

The bill also allows the Commissioner to issue interpretive opinions on possible violations. This could increase the administrative costs for the Commissioner, but these costs could be offset by the provision of this bill which allows the Commissioner to set a fee for individuals requesting interpretive opinions.

Insurance Commissioner: It requires the Securities Commissioner to send a certified copy of a final order suspending or revoking a person's license or an order to cease and desist to the Insurance Commissioner who may institute proceedings to revoke or suspend the person's insurance producer license. This provision could increase administrative expenses for the Department of Insurance (DOI). However, the DOI should be able to cover any additional administrative expenses given its existing resources.

Explanation of State Revenues: See *Explanation of State Expenditures*.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Secretary of State's Office; DOI.

Local Agencies Affected:

Information Sources: Secretary of State's Office.

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